

2021-2022 Revenue Interim Committee Draft Work Plan Decision Matrix				
Legislative Council assigned the following studies to RIC.				
HJ 6: Coal Severance Tax Trust Fund				
Option A	Option B	Option C	Option D	Resources Allocated
0.33 FTE	0.3 FTE	0.2 FTE	0 FTE	
◦ Option B ◦ Analyze energy resources in Montana, review potential taxes to assist in protecting the trust fund ◦ Project infrastructure costs, consider whether coal severance tax trust fund can cover costs Deliverables ◦ White papers ◦ Panel discussions ◦ Decision matrices ◦ Legislation ◦ Final report	◦ Option C ◦ Consider long-term interest rates and investment strategies for the trust fund ◦ Review coal extraction forecasts and their impact on the trust fund ◦ Consider market and export opportunities for coal Deliverables ◦ White papers ◦ Panel discussion ◦ Decision matrix ◦ Legislation ◦ Final report	◦ Overview of coal severance tax, coal severance tax trust fund, programs funded with coal severance tax revenue ◦ Assess whether Legislature should revisit the current allocations and uses of the funds Deliverables ◦ White paper ◦ Decision matrix ◦ Legislation ◦ Final report	No action	
HJ 36: Residential Property Taxes				
Option A	Option B	Option C	Option D	Resources Allocated
0.22+ FTE	0.22 + FTE	0.18 FTE	0 FTE	
◦ Option B ◦ Multiple analyses of property taxes paid on residential and other classes of property (specify analyses requested) Deliverables ◦ White papers ◦ Decision matrix ◦ Legislation ◦ Final report	◦ Option C ◦ Overview of residential property and comparison to other property types (valuation, rates, classes) ◦ Overview of laws specific to state, local government, and school property taxes ◦ Additional analysis of property taxes paid on residential and other classes of property (specify analysis requested) Deliverables ◦ White papers ◦ Decision matrix ◦ Legislation ◦ Final report	◦ Review existing property tax analyses ◦ Review property tax assistance programs/tax credits and exemptions/abatements ◦ Review property tax mitigation legislation from 2021 session ◦ Consider methods for reducing residential property taxes, including effects on interested parties Deliverables ◦ White papers ◦ Decision matrix ◦ Legislation	No action	
The following are the RIC’s statutory duties				
Topic	Why is this a topic?	Option A	Option B	Resources Allocated
Monitor DOR	Statute	0.002 FTE ◦ Agency updates at each meeting on topics selected by agency, staff, and committee members ◦ Quarterly reports from LFD on agency budget	0.0018 FTE ◦ Agency updates at each meeting on topics selected by agency, staff, and committee members	
Monitor MTAB	Statute	0.0015 FTE ◦ Agency updates at each meeting on topics selected by agency, staff, and committee members	0.001 FTE ◦ Agency updates at <i>alternating meetings</i> on topics selected by agency, staff, and committee members	
Review administrative rules	Statute	0.09 FTE ◦ Legal staff provides RIC a brief written description of each proposed or adopted rule prior to each meeting with issues of concern noted ◦ Members to inform staff or Chair if they want more information ◦ Committee receives copies of rules from agencies for personal review	0.085 FTE ◦ Legal staff provides RIC a brief written description of each proposed or adopted rule prior to each meeting with issues of concern noted ◦ Members to inform staff or Chair if they want more information	
Review statutorily established advisory councils	Statute	0.005 FTE per advisory council ◦ Review advisory council and make recommendations on retention or elimination ◦ Advisory councils: Multistate Tax Compact advisory council, Agricultural Advisory Committee, Forest Lands Taxation Advisory Committee	0 FTE* <i>*If no committee member requests review</i>	
Review agency legislation	Statute	0.005 FTE ◦ Committee reviews proposals from the DOR and MTAB and decides if staff should draft legislation for pre-introduction		

Topic	Why is this a topic?	Option A	Option B	Resources Allocated
Review proposed ballot initiatives	Statute	0.005 FTE ° Committee holds hearing on proposed ballot initiatives within 14 days of receiving final language and votes to either support or not support the placement of the text of an initiative on the ballot ° Committee requests background on topic of ballot initiative such as past legislation and initiative proposals or similar proposals in other states	0.001 FTE ° Committee holds hearing on proposed ballot initiatives within 14 days of receiving final language and votes to either support or not support the placement of the text of an initiative on the ballot <i>**May require additional committee meetings</i>	
Department of Revenue required reports (see full list in draft work plan)	Statute	0.023 FTE (assuming 2 reports result in legislation) °Have staff provide background info on report topic in advance of receiving report °Review report °Make recommendations about whether to keep receiving report °Make recommendations about topic of report (based on content of report) °Request legislation based on recommendations	0.007 FTE (total for all DOR reports) °Review report provided by Department of Revenue	
Film Tax Credit report	Statute	0.012 FTE ° Option B ° Request legislation to achieve DOC or committee recommendations	0.002 FTE ° Committee reviews Department of Commerce-contracted film tax credit report, receives DOC recommendations, and decides whether to make additional Committee recommendations	
Receipts Less Than Revenue Projections report	Statute	As needed/0.002 FTE ° Committee receives report of receipts less than projected revenue and, within 20 days, provides budget director with recommendations on amount of receipts.		
Medical Marijuana Reports	Statute	0.002 FTE ° Committee receives reports in packet and requests agency presentation of reports at some or all meetings	0.001 FTE ° Committee receives reports in meeting packet, no meeting time scheduled for presentations except upon request of the committee	
Revenue estimating and monitoring	Statute	0.005 FTE ° Option B ° Receive presentations from economists and forecasters in September 2020 in preparation for November adoption of revenue estimate	0.001 FTE ° FYE 2021 Quarterly Report ° YTD GF Revenue Collections ° Quarterly report or General Fund update, as appropriate ° 2025 Biennium Revenue Outlook (summer 2022) ° 2025 Biennium Revenue Estimate and Comparison to Executive (November 2022)	
Review tax credits ° Commercial or net metering system* ° Qualified elderly care expenses* ° Dependent care assistance and referral services* ° Contributions to a university or college foundation or endowment* ° Donations to an education improvement account ° Donations to a student scholarship organization *Repealed effective 1/1/22	Statute	0.15 FTE ° Options in right column ° Review all credits, including those repealed in SB 399 ° Review other states for similar credits and compare to Montana	0.05 FTE ° Review only credits not repealed in SB 399 ° Overview of credit including legislative history, intended purpose ° Analysis of who benefits from credit (incl. non-residents) and timing of costs and benefits ° Analysis of whether credit changes taxpayer decisions (look to before credit existed) ° Consider impacts of elimination of credit ° Consider economic impact of credit ° Review 15-30-2303 and consider recommending revised review schedule ° Staff report summarizing the credit review ° Committee legislation to make recommended changes	
The following topics are optional, and it is up to RIC committee members whether to pursue them as studies or as potential agenda items.				
Sales tax legislation	Sen. Hoven	Option A 0.1 FTE ° Option B ° Identify uses of revenue and request legislation to implement (may require revising other tax laws)	Option B 0.1 FTE ° Option B ° Identify uses of revenue and request legislation to implement (may require revising other tax laws)	
Community investment fee	Rep. Beard	0.05 FTE ° Option B ° Review similar policies in other states	0.03 FTE ° Consider who pays fee, how to structure fee, and uses of fee	
Education funding revenue streams ¹	Rep. Beard	0.004 FTE ° Option B ° Consider reporting requirements for various revenue streams	0.002 FTE ° Review local, state, and federal education funding	

¹ Section 20-9-309 requires the School Funding Interim Commission to reassess the state's school funding formula at least every 10 years. The next study will be during the 2025-2026 interim at the latest.

Topic	Why is this a topic?	Option A		Option B		Resources Allocated
Review tax expenditures (in addition to tax credits)	Rep. Beard	Varies		0.02 FTE		
		<ul style="list-style-type: none"> ° Option B ° Review some tax expenditures this interim 		<ul style="list-style-type: none"> ° Review list of tax expenditures in Biennial Report (p. 335) ° Determine whether/which to review ° Draft legislation to create review process 		
Law enforcement funding	Rep. Beard	0.02 FTE		0.005 FTE		
		<ul style="list-style-type: none"> ° Option B ° Consider reducing funding for local governments that want to defund the police 		<ul style="list-style-type: none"> ° Overview of law enforcement funding sources 		
Land use changes and their effect on property taxes (may be relevant for HJ 36 study)	Rep. Welch	0.05 FTE		0.025 FTE		
		<ul style="list-style-type: none"> ° Option B ° Quantify property tax effects of changes in land use 		<ul style="list-style-type: none"> ° Analyze whether land use is changing 		
Impact of increasing business equipment tax exemption on different industries	Rep. Welch	0.05 FTE		0.025 FTE		
		<ul style="list-style-type: none"> ° Option B ° Model how other changes to the business equipment tax would impact industries and consider revenue impacts to state and local governments 		<ul style="list-style-type: none"> ° Review impacts of increased business equipment tax exemption on various industries 		
Corporate income tax apportionment	Rep. Welch	0.05 FTE		0.025 FTE		
		<ul style="list-style-type: none"> ° Option B ° Consider impacts of other possible apportionment methods by industry (triple-weighted sales, single sales) 		<ul style="list-style-type: none"> ° Review impact of change to double-weighted sales factor by industry 		
Property taxes on energy-producing property (may be relevant for HJ 36 study)	Rep. Welch	0.075 FTE		0.03 FTE		
		<ul style="list-style-type: none"> ° Option B ° Consider whether to revise taxation of energy-producing property 		<ul style="list-style-type: none"> ° Overview of which classes of property include energy-producing property, how the tax rates vary, and how the property is valued 		
LFD HB 330 study	Staff suggested	Option A 0.1 FTE* <ul style="list-style-type: none"> ° Option B ° RIC and MARA meet jointly during one or more meetings <i>*FTE varies if MARA requests work from RIC staff</i>	Option B 0.04 FTE <ul style="list-style-type: none"> ° Option C ° LSD and LFD staff coordinate work of RIC and MARA ° RIC staff attends MARA meetings 	Option C 0.002 FTE <ul style="list-style-type: none"> ° RIC staff to provide updates to MARA committee on HJ 6 and HJ 36 studies ° Request updates from LFD on MARA ° RIC members participate remotely in MARA meetings individually, if interested 	Option D No Action	
Total Resources Available						0.9 FTE

FTE Available to RIC

.05 FTE = 144 hrs = 18 days
.10 FTE = 288 hrs = 36 days
.25 FTE = 720 hrs = 90 days
.50 FTE = 1440 hrs = 180 days
.75 FTE = 2160 hrs = 270 days
1 Interim FTE = 16.5 months = 2880 hrs

A member may request the committee learn about an issue as an agenda item as opposed to incorporating it into the work plan. Additional topics also may be requested as agenda items that do not need to be incorporated into the work plan.